

DOCKET NO: 000824-EI [Review of Florida Power Corporation's earnings, including effects of proposed acquisition of Florida Power Corporation by Carolina Power & Light]

WITNESS: Direct Testimony of Richard Durbin,
appearing on Behalf of Staff

DATE FILED: January 28, 2002

DOCUMENT NUMBER-DATE

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1 DIRECT TESTIMONY OF RICHARD DURBIN

2 Q. Would you please state your name and address.

3 A. My name is Richard Durbin; 2540 Shumard Oak Boulevard, Tallahassee,
4 Florida, 32399-0850.

5 Q. By whom are you employed and in what capacity?

6 A. I am employed by the Florida Public Service Commission as a Regulatory
7 Consultant in the Division of Consumer Affairs.

8 Q. Please give a brief description of your educational background and
9 professional experience.

10 A. I graduated from the University of Louisville in 1975 with a Bachelor
11 of Science in Commerce degree.

12 I have worked at the Florida Public Service Commission since 1992 and
13 have held various positions within the Division of Consumer Affairs since that
14 time.

15 Q. What are your present responsibilities with the Commission?

16 A. I work in the Bureau of Complaint Resolution where I am primarily
17 responsible for both initial and continuing education and training of the
18 analysts. I identify, develop, and maintain training resources including the
19 Division's Intranet (on line resource manual). I also serve as the first point
20 of contact when a customer requires a higher level of staff member
21 intervention.

22 Q. What is the purpose of your testimony?

23 A. The purpose of my testimony is to advise the Commission of the number
24 of customer complaints filed through the Commission's Division of Consumer
25 Affairs against Florida Power Corporation, the nature of the complaints, and

1 | the adequacy of the company's response to those complaints.

2 | **Q. What do your records indicate concerning the number of complaints**
3 | **filed against Florida Power Corporation?**

4 | A. Exhibit RD-1 is a chart showing the number of complaints filed by the
5 | Division of Consumer Affairs against Florida Power Corporation from 1991
6 | through 2001. The numbers are divided between complaints concerning the
7 | company's service and billing problems. Exhibit RD-2 is a chart containing
8 | the same complaint numbers as Exhibit RD-1 plus a new classification of cases,
9 | GI-72, which are designated as complaints.

10 | **Q. Would you explain the GI-72 classification of complaints?**

11 | A. Effective June 22, 2000, the Customer Complaint Rule, 25-22.032, Florida
12 | Administrative Code (FAC), was revised. This rule revision reflects the
13 | Commission's intent to resolve disputes between regulated companies and their
14 | customers as efficiently, effectively, and inexpensively as possible. The two
15 | main complaint handling process improvements are: (1) the Transfer-Connect
16 | Program; and (2) the 72-hour response process.

17 | **Q. What is the Transfer Connect Program?**

18 | A. The Transfer Connect Program allows a customer the option of having
19 | his/her call to the the Commission's toll-free complaint line transferred
20 | directly to the designated customer assistance personnel at the participating
21 | utility. When a customer is transferred, an informal complaint is not filed;
22 | however, the company is required by Rule 25-22.032 (11)(b), FAC, to submit a
23 | monthly report to the Commission's Division of Consumer Affairs which includes
24 | the customer's name, a brief description of the complaint, and how the company
25 | handled the complaint. Prior to transferring the call to the company, the

1 | PSC's analyst advises the customer to contact the Commission if the customer
2 | is not satisfied with the company's handling of his concern. Exhibit RD-3 is
3 | a chart showing the number of Transfer-Connect calls as reported each month
4 | by Florida Power Corporation since the reporting requirement was established.

5 | The Transfer-Connect Program began as a pilot project in 1996. Florida
6 | Power & Light was the first electric company to participate in the program.
7 | Florida Power Corporation and Tampa Electric Company began participating in
8 | the program in July 1997. Gulf Power began participating in the program on
9 | December 3, 2001.

10 | **Q. What is the 72-hour response process?**

11 | A. When an informal complaint is filed against a company that subscribes
12 | to the Transfer-Connect Program, the utility company can utilize the 72-hour
13 | (3 day resolution) option by resolving the complaint and reporting the
14 | resolution to the PSC within 72 hours of receipt. If the company resolves the
15 | complaint satisfactorily, the company will notify the Public Service
16 | Commission of the resolution. Upon receipt of the company's response to the
17 | customer's complaint indicating that the problem has been resolved, the
18 | Commission will contact the customer to confirm that the complaint has been
19 | resolved. If the customer confirms that the complaint has been resolved, the
20 | complaint will not be reported in the total number of complaints shown for
21 | that company in the Commission's monthly Consumer Complaint Activity Report.
22 | However, the Commission will retain the information for use in enforcement
23 | proceedings, or for any other purpose necessary to perform its regulatory
24 | obligation. If the customer informs the Commission staff that the complaint
25 | has not been resolved, the Commission will notify the company and require a

1 full report. The company is also required by Rule 25-22.032 (11)(b),FAC, to
2 file a monthly report identifying the number of complaints handled under the
3 three-day complaint resolution process and indicate whether the complaint was
4 resolved.

5 **Q. Are there any other procedures The Division of Consumer Affairs uses to**
6 **handle complaints?**

7 A. In addition to the above rule procedure, the Commission has launched the
8 E-transfer Pilot Program which is similar to the Transfer-Connect Program.
9 The difference between the Transfer-Connect Program and the E-transfer Pilot
10 Program is that in the E-transfer program the cases are filed by customers via
11 the Commission's website. While on the website, customers are given the
12 option to E-mail a complaint to the PSC via the online complaint form, or send
13 the E-mail directly to the company. If the customer chooses to send the E-
14 Mail to the company, a copy of the E-Mail is also sent to the Commission's
15 Division of Consumer Affairs. When the company receives the customer's E-
16 Mail, the company is required to contact the customer within 24 hours and
17 provide assistance. The eleven participating companies are required to send
18 monthly reports to the PSC, listing the number of E-Mails received and a brief
19 summary of the issues.

20 **Q. Can we assume that a Transfer-Connect call would have been a complaint**
21 **had the Transfer-Connect Program not been in place?**

22 A. No, not necessarily. A call that is transferred to the utility may
23 involve a situation in which the customer called the PSC in error, thinking
24 he or she was calling the utility. It could be a customer who is requesting
25 a payment arrangement or one who could not get through to the company when

1 | calling directly.

2 | Q. What have been the most common types of complaints filed by Florida
3 | Power Corporation customers?

4 | A. Exhibit RD-4 is a chart showing the major complaint types for Commission
5 | complaints filed between July 1, 1999, and January 15, 2002. The most
6 | commonly filed complaints are those having to do with high bills, followed
7 | closely by service outage complaints.

8 | Q. How many of the complaints referenced in your testimony has the Division
9 | of Consumer Affairs determined to be apparent violations of Commission rules
10 | or the company's tariffs?

11 | A. I found seven (7) apparent rule or tariff infractions among complaints
12 | filed between July 1, 1999, and December 31, 2001.

13 | Q. Has Florida Power Corporation responded to Commission complaints in
14 | timely manner?

15 | A. Rule 25-22.032(5)(a), FAC, requires a company to respond to a complaint
16 | filed by the Commission's Division of Consumer Affairs within fifteen (15)
17 | working days. Since July 1, 1999, I found only three complaints in which
18 | Florida Power Corporation responded in an untimely manner.

19 | Q. Does this conclude your testimony?

20 | A. Yes, it does.

21 |

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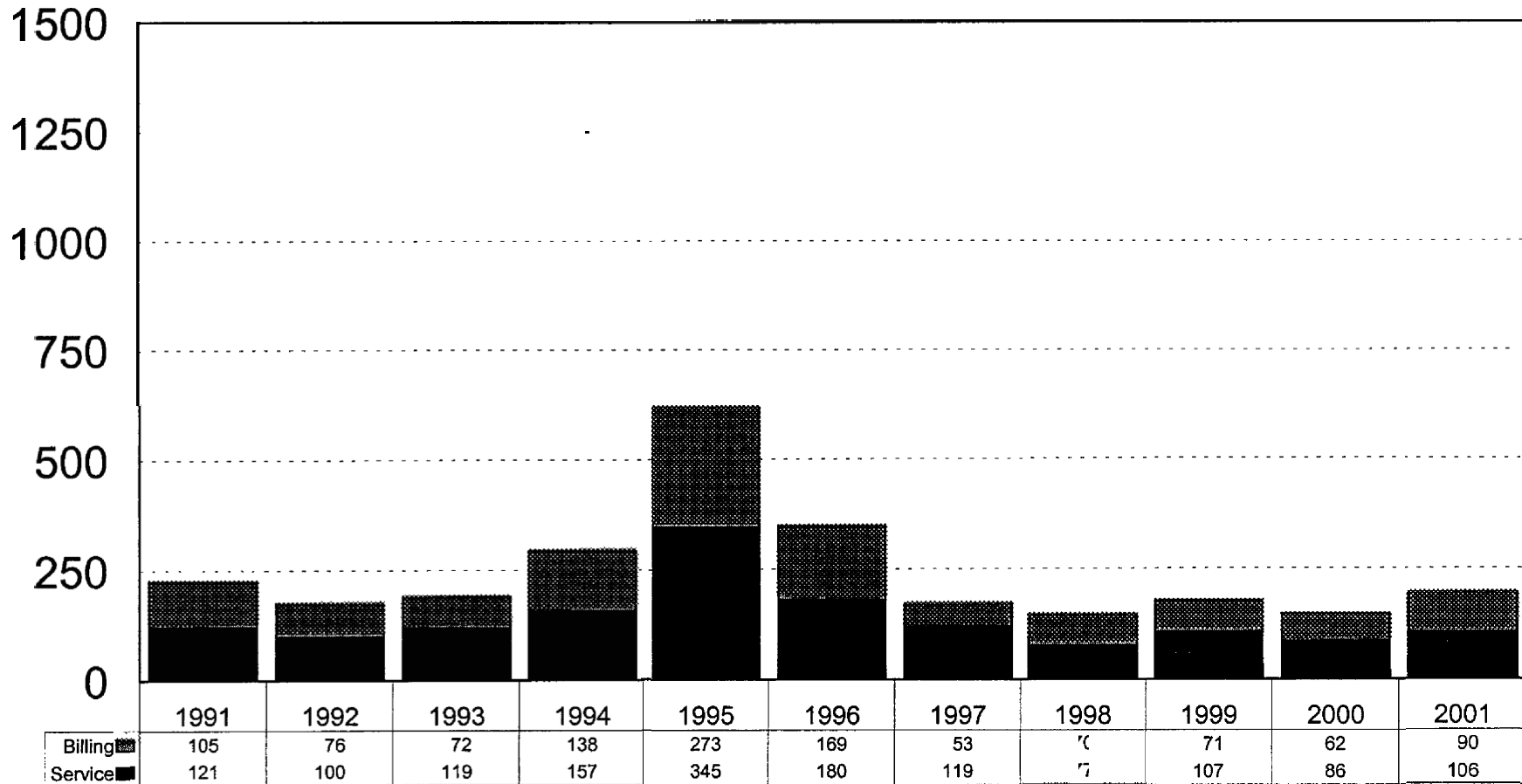
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Total Complaints Received - Florida Power Corporation

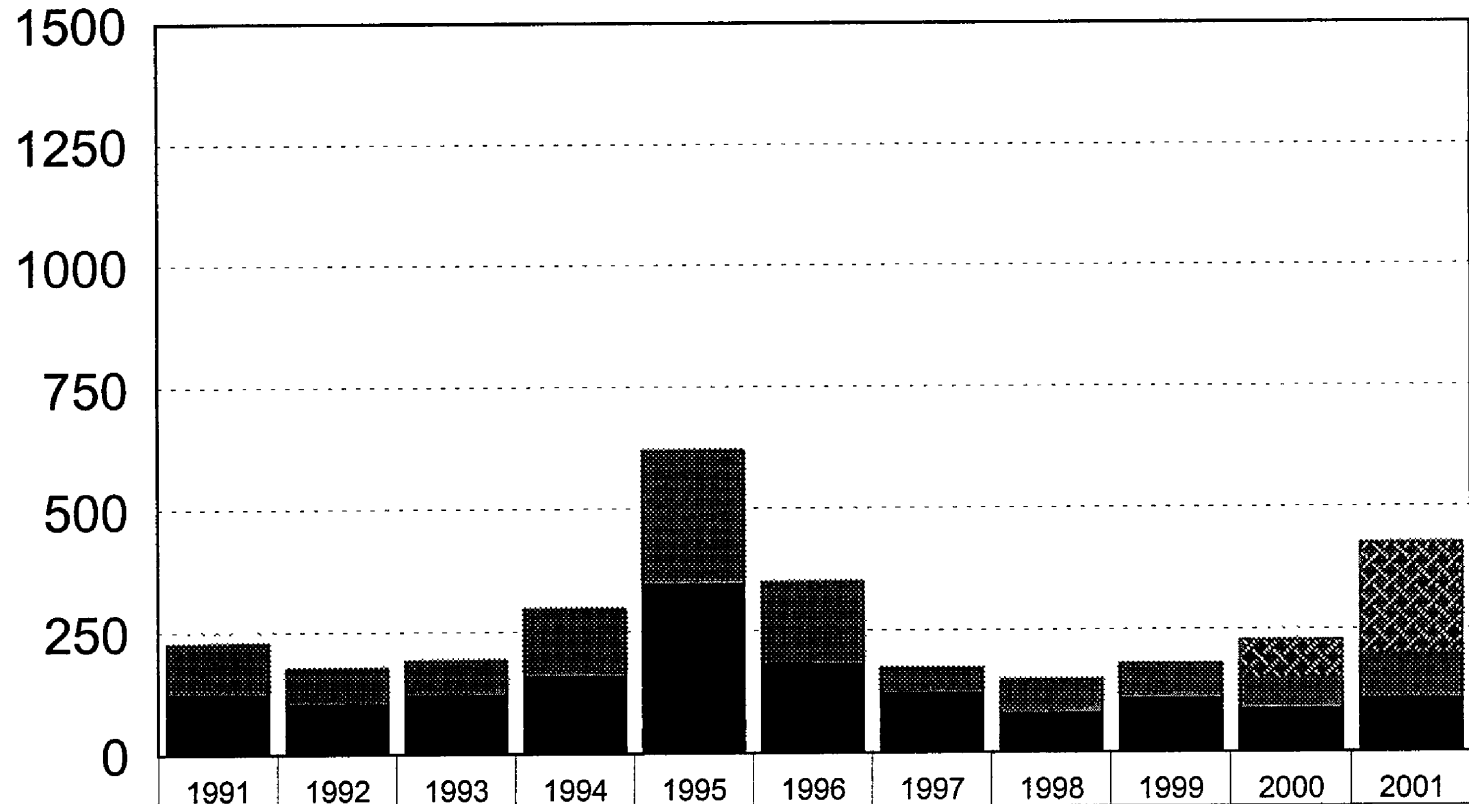
1991 - 2001



Source: Florida Public Service Commission Annual Reports
 Florida Public Service Commission Consumer Activity Tracking System

Total Cases Received - Florida Power Corporation

1991 - 2001

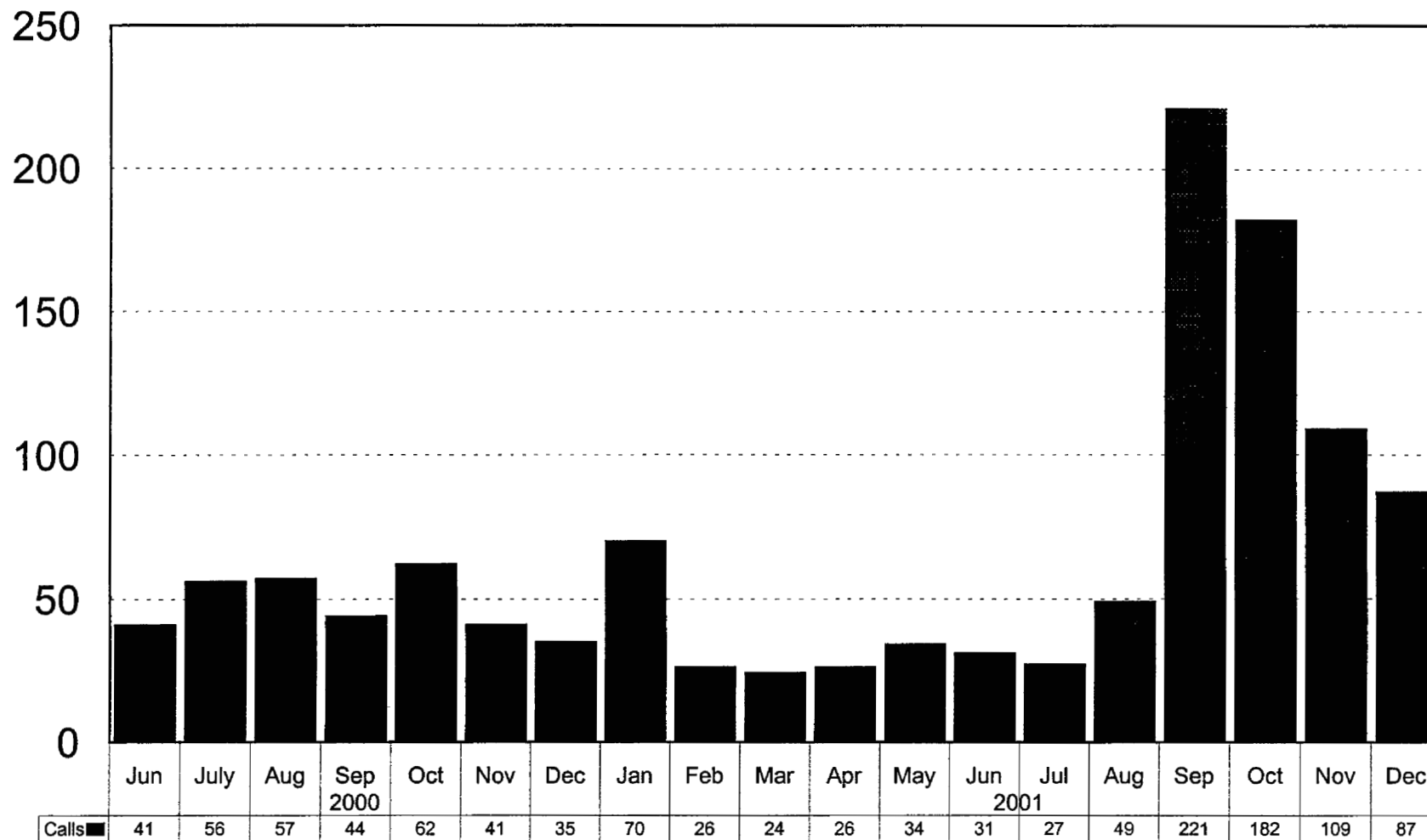


	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Cases Resolved Within 72 Hours (GI-72)	105	76	72	138	273	169	53	70	71	62	90
Billing	121	100	119	157	345	180	119	77	107	86	106

Source: Florida Public Service Commission Annual Reports
 Florida Public Service Commission Consumer Activity Tracking System

Calls Warm Transferred to Florida Power Corporation

June 2000 - December 2001



Source: Required monthly reports supplied to the Public Service Commission by the Company.

The following is a list of the major types of complaint filed by consumers against Florida Power Corporation between July 1, 1999 and January 15, 2002.

Preliminary Complaint Type	Number of Complaints
High Bills	141
Electric Outages	129
Improper Bills	70
Improper Disconnect	39
Damage Claims	35
Delay in Connection	24
Repair	24
Deposit	16
Estimated Bills	13
Failure to Respond	10
Billing Wrong Customer	7